

SENATE BILL 454  
By McNally

AN ACT to amend Tennessee Code Annotated, Title 47,  
Chapter 5; Title 55, Chapter 15 and Title 67,  
Chapter 3, relative to the sale of gasoline  
containing ethanol.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 55, Chapter 15, is amended by adding  
Sections 2 though 6 of this act as a new, appropriately designated part.

SECTION 2. As used in this part, unless the context otherwise requires:

(1) "Blend" or "blending" means the mixing of one (1) or more petroleum  
products, with or without another product, regardless of the original character of the  
product blended, if the product obtained by the blending is capable of use or otherwise  
sold for use in the generation of power to propel a motor vehicle, an airplane, a  
motorboat, or other mechanical contrivance. "Blending" does not include blending that  
occurs in the process of refining by the original refiner of crude petroleum or the blending  
of products known as lubricating oil and greases;

(2) "Blended fuel" means a mixture composed of gasoline or diesel fuel and  
another liquid, other than a minimal amount of a product such as carburetor detergent or  
oxidation inhibitor, that can be used as a fuel in a motor vehicle;

(3) "Blender" means any person that produces blended fuel;

(4) "Commissioner" means the commissioner of agriculture or a departmental  
employee designated by the commissioner to act as the commissioner's representative  
for purposes of this part;

(5) "Ethanol" means fuel grade ethanol;

(6) "Fuel grade ethanol" means a product that meets the American Society for Testing and Materials (ASTM) standard in effect on January 1, 2004, and any successor rule, as the D-4806 specification for denatured fuel grade ethanol, for blending with gasoline for use as automatic spark-ignition engine fuels;

(7) "Gasoline" means a volatile mixture of liquid hydrocarbons suitable for use as a fuel in a spark-ignition internal combustion engine, including all products commonly or commercially known or sold as gasoline that are suitable for use as a motor fuel;

(8) "Motor fuel" means gasoline, diesel fuel or blended fuel;

(9) "Oxygenate" means an oxygen-containing, ashless, organic compound, such as an alcohol or ether, which can be used as a fuel or fuel supplement;

(10) "Person" means a natural person, partnership, firm, association, corporation, limited liability company, court appointed representative, or any other business entity, group, or syndicate;

(11) "Refinery" means a facility used to produce motor fuel from crude oil, unfinished oils, natural gas liquids, or other hydrocarbons, and from which motor fuel may be removed by pipeline, by marine vessel, or at a rack; provided, that "refinery" also means a facility used to produce ethanol; and

(12) "Terminal" means a storage and distribution facility for motor fuel, supplied by pipeline or marine vessel, which is registered as a qualified terminal by the internal revenue service.

SECTION 3. Notwithstanding any provision of law to the contrary, effective July 1, 2006, all gasoline sold or offered for sale in this state shall contain at least five percent (5%) ethanol by volume.

SECTION 4. When gasoline contains at least five percent (5%) ethanol by volume, as required in Section 3, the person responsible for such product shall not blend such product with any other oxygenate after it is transferred or otherwise removed from the refinery or terminal.

SECTION 5. The commissioner shall audit the records of blenders to ensure that each blender has met all requirements of this part. Specific information or data relating to sales figures or to processes or methods of production unique to the blender or that would tend to adversely affect the competitive position of the blender shall be only for the confidential use of the commissioner, unless specifically authorized by the blender.

SECTION 6.

(a) At the time gasoline containing at least five percent (5%) ethanol by volume, as required in Section 3, is sold or transferred from the refinery or terminal, the refinery or terminal shall provide a bill of lading or shipping manifest to the person who receives such product. The bill of lading or shipping manifest shall include the volume percentage or gallons of ethanol included in the gasoline, and shall state: "This gasoline contains ethanol. Do not blend this gasoline with any other oxygenate."

(b) The provisions of subsection (a) shall not apply to sales or transfers of gasoline between refineries, between terminals, or between a refinery and a terminal.

SECTION 7. The commissioner of agriculture is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 8. For the purposes of promulgating rules and regulations, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect July 1, 2006, the public welfare requiring it.